

STATE OF NEW JERSEY
BUREAU OF SECURITIES
153 HALSEY STREET
P.O. BOX 47029
NEWARK, NEW JERSEY 07101
(973) 504-3600

IN THE MATTER OF

PATRICK DACOSTA
(CRD NO. 282639)

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:
ORDER

TO: Mr. Patrick Dacosta
84 Seaview Avenue
Jersey City, New Jersey

Mr. Patrick Dacosta
c/o Ultimate Chasers
885 Broadway
Bayonne, New Jersey

Mr. Patrick Dacosta
8430 192 Street
Flushing, New York

Pursuant to the authority granted to the Chief of the New Jersey Bureau of Securities ("Bureau") by the Uniform Securities Law (1997), N.J.S.A. 49:3-47, et seq. (the "Securities Law"), more specifically N.J.S.A. 49:3-70.1, and based upon the following findings and conclusions which the Bureau Chief has made, the Bureau Chief has determined that there is good cause for civil monetary penalties to be assessed against Patrick Dacosta ("Dacosta") for his violations of the Securities Law as stated herein.

SERVICE OF THE ADMINISTRATIVE COMPLAINT,
NOTICE OF RIGHT TO HEARING, AND
NOTICE OF OTHER ENFORCEMENT REMEDIES

The Administrative Complaint, Notice of Right to Hearing and Notice of Other Enforcement Remedies were served on Patrick Dacosta on May 19, 2003 by certified mail, return receipt requested, and, simultaneously, by ordinary first class mail to him at 84 Seaview Avenue, Jersey City, New Jersey. The aforementioned documents were received by him at that address on May 27, 2003 as indicated by the return receipt, which was signed by Patrick Dacosta. Additionally, the envelope with the aforementioned documents, sent via ordinary first class mail, was not returned. Patrick Dacosta did not respond to the Bureau and, therefore, did not request a hearing. Service of process was effected upon Patrick Dacosta.

FINDINGS AND CONCLUSIONS

1. At all relevant times, Dacosta resided at 84 Seaview Avenue, Jersey City, New Jersey and at 8430 192 Street, Flushing, New York.

2. Although Dacosta has Central Registration Depository ("CRD") number 282639, he was not registered with the Bureau or NASD in any capacity. The exam history indicates he withdrew before taking any examinations.

3. At all relevant times, the unincorporated business entity Ultimate Chasers had its principal place of business located at 885 Broadway, Bayonne, New Jersey and offices at 122 Bidwell Avenue, Jersey City, New Jersey and 84 Seaview Avenue, Jersey City, New Jersey.

4. Ultimate Chasers was not registered as a broker-dealer or an investment adviser with the NASD.

5. Ultimate Chasers has never been registered with the Bureau of Securities as a broker-dealer or investment adviser, nor has it made a notice filing or an exemption filing with the Bureau in any capacity.

6. Dacosta, an unregistered person, made numerous sales of unregistered securities, that is, investment contracts associated with and on behalf of the business entity Ultimate Chasers.

7. In connection with sales of unregistered securities, Dacosta represented to prospective investors that Ultimate Chasers made and would continue to make profits by investing in real estate and by promoting athletes who in return would make salary contributions back to Ultimate Chasers.

8. The investment contracts also guaranteed 100% return on their investment to the investors.

9. The following individuals invested with Dacosta and Ultimate Chasers, and invested the amount of money set forth below on the approximate date listed below:

<u>INVESTORS</u>	<u>INVESTMENT AMOUNT</u>	<u>APPROXIMATE TIME OF INVESTMENT</u>
1. Davy Cady	\$10,000	11/1999
Chicago, IL	\$10,000	12/1999
2. J.W. Thacker	\$2,000	before
Hughson, CA		11/2000
3. Susan Maveal	\$13,000	1/2000
4. Joseph Lepetich	\$25,000	12/1999
Santa Rosa, CA	\$25,000	12/1999
	\$75,000	1/2000
5. Kenneth Kacey	\$20,000	1/2000
Dearborn, MI		
6. Jerry Avery	\$20,000	1/2000
Tamaric, FL		
7. Thomas Watson	\$5,000	12/1999
Ft. Lauderdale, FL		
8. Lee A. Goldberg	\$100,000	3/2000
Tucson, AZ		
9. Marcus Daly	\$10,000	12/1999
London, KY		
10. James Fernandez	\$5,000	1/2000
Valleho, CA		
11. John Pannullo	\$5,000	12/1999
Plantation, FL	\$25,000	1/2000
12. Arlette De Andrade	\$10,000	1998
Arvern, NY		
13. Wentworth Studs	\$50,000	8/2000
14. James Goshine	\$100,000	10/2000
Plantation, FL	\$35,000	11/2000

15. Marjorie Bell Westmoreland, Jamaica	\$65,000	11/2000
16. Alan MacDonald Virginia Beach, VA	\$110,000	11/1999

10. Dacosta placed the investor funds in several bank accounts that he and his wife, Clavone Dacosta, accessed and withdrew the money from the accounts. The investor funds were not used to purchase real estate in accordance with the representations made to investors.

11. Neither the principal, nor any interest on the money invested with Dacosta and Ultimate Chasers by the above investors was ever paid to those investors.

12. The failure of Dacosta and Ultimate Chasers to pay the investors the principal or interest on their investments constituted an act, practice or course of business which operated as a fraud or deceit upon the investors in violation of N.J.S.A. 49:3-52(c) and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

13. The guarantee made to investors by Dacosta of 100% return on their money was an untrue statement of a material fact that was false or misleading in violation of N.J.S.A. 49:3-52(b) and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

14. The guarantee made by Dacosta to investors of 100% return on their investment was an act, practice or course of business which operated as a fraud or deceit upon the investors in violation of N.J.S.A. 49:3-52(c) and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

15. In connection with the sales of the investment contracts associated with and on behalf of the business entity Ultimate Chasers, Dacosta failed to inform the purchasers of the investment contracts that they were not registered with the Bureau, thereby omitting to state a material fact necessary in order to make the statements he made, in the light of the circumstances under which they were made, not misleading, in violation of N.J.S.A. 49:3-52 and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

16. In connection with the sales of the investment contracts associated with and on behalf of the business entity Ultimate Chasers, Dacosta failed to inform the purchasers that he was not registered with the Bureau in any capacity, thereby omitting to state a material fact necessary in order to make the statements he made, in the light of the circumstances under which they were made, not misleading, and therefore was fraud in violation of N.J.S.A. 49:3-52 and is a ground to assess civil monetary penalties against him pursuant to N.J.S.A. 49:3-70.1.

17. Dacosta has offered and sold investment contracts associated with and on behalf of the business entity Ultimate Chasers from the State of New Jersey without registering the investment contracts with the Bureau. Because the investment contracts are securities, pursuant to N.J.S.A. 49:3-49(m), N.J.S.A. 49:3-60 requires that such securities be registered. Each offer and sale of the unregistered securities is a separate violation of N.J.S.A. 49:3-60 and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

18. Dacosta offered and sold investment contracts associated with and on behalf of the business entity Ultimate Chasers from the State of New Jersey without registering as a broker-dealer with the Bureau. Because the investment contracts are securities, N.J.S.A. 49:3-56(a) requires that Dacosta register as a broker-dealer. Each offer and sale while Dacosta was acting as an unregistered broker-dealer is a separate violation of N.J.S.A. 49:3-56(a) and is a ground to assess civil monetary penalties against him pursuant to N.J.S.A. 49:3-70.1.

19. Dacosta has offered and sold investment contracts associated with and on behalf of the business entity Ultimate Chasers from the State of New Jersey without registering as an agent with the Bureau. Because the investment contracts are securities, N.J.S.A. 49:3-56(a) requires that Dacosta register as an agent. Each offer and sale while Dacosta was acting as an

unregistered agent is a separate violation of N.J.S.A. 49:3-56(a) and is a ground to assess civil monetary penalties against Dacosta pursuant to N.J.S.A. 49:3-70.1.

CONCLUSION

THEREFORE, it is on this 30th day of July, 2004 hereby

ORDERED, the assessment of civil monetary penalties against Dacosta, pursuant to N.J.S.A. 49:3-70.1, of \$1,250,000.00.

By: Franklin L. Widmann
Franklin L. Widmann, Chief
Bureau of Securities

DATED:

July 30, 2004

NOTICE OF RIGHT TO HEARING

The Bureau Chief shall entertain on no less than three days notice a written application to lift the penalty order on written application of the person subject thereto and in connection therewith may, but need not, hold a hearing and hear testimony, but shall provide to the person subject thereto a written statement of the reason for the penalty order.

Upon service of notice of the penalty order issued by the Bureau Chief, the person subject thereto shall have up to 15 days to respond to the Bureau in the form of a written answer and written request for a hearing. The Bureau Chief shall, within five days of receiving the answer and request for a hearing, either transmit the matter to the Office of Administrative Law for a hearing or schedule a hearing at the Bureau of Securities.

Orders shall be subject to an application to vacate upon 10 days notice, and a preliminary hearing on the penalty order shall be held in any event within 20 days after it is requested, and the filing of a motion to vacate the order shall toll the time for filing an answer and written request for a hearing.

If any person subject to the penalty order fails to respond by filing a written answer and written request for a hearing with the Bureau or moving to vacate the order within the 15 day prescribed period, that person shall have waived the opportunity to be heard and the order shall remain in effect until modified or vacated.

NOTICE OF OTHER ENFORCEMENT REMEDIES

You are advised that the Uniform Securities Law (1997), N.J.S.A. 49:3-47 et seq., provides several enforcement remedies which are available to be exercised by the Bureau Chief either alone or in combination. These remedies include, in addition to this penalty order, the right to seek and obtain injunctive and ancillary relief in a civil enforcement action under N.J.S.A. 49:3-69. You are further advised that the entry of the penalty order does not preclude the Bureau Chief from seeking and obtaining other enforcement remedies against you in connection with the claims made against you in this penalty order.